

CULTIVATE - EM
(A Company Limited by Guarantee)
REPORT AND
FINANCIAL STATEMENTS
for the year ended 31 March 2008

Charity Number 1118515
Company Number 5843750

Cultivate - EM
(A Company Limited by Guarantee)

Financial Statements
for the year ended 31 March 2008

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Report of the Trustees for the year ended 31 March 2008

Reference and Administrative Information

CHARITY NAME:	Cultivate - EM The charity is also known as Cultivate
CHARITY REGISTRATION NUMBER:	1118515
COMPANY REGISTRATION NUMBER:	5843750 (England and Wales)
REGISTERED OFFICE AND OPERATIONAL ADDRESS:	6 th Floor City Gate East Toll House Hill Nottingham NG1 5FS
BOARD OF TRUSTEES:	R Blackwood R Dinsdale P Helps J Holmes (Chair) S Johal Prof. D McRae S Powell C Ravenhall Cooper
CHIEF EXECUTIVE OFFICER AND COMPANY SECRETARY	V Rawlings-Jackson (responsible for day to day running of the charity)
AUDITORS:	Ling Phipp, Chartered Accountants and Registered Auditor, 22-26 Nottingham Road Stapleford, Nottingham NG9 8AA.
BANKERS:	Bank of Scotland 38 St Andrews Square Edinburgh EH2 2YR
SOLICITORS:	Freeth Cartwright LLP Cumberland Court 80 Mount Street Nottingham NG1 6HH

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Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 12 June 2006 and registered as a charity on 23 March 2007. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. This was adopted on incorporation on 12 June 2006 and amended by Special Resolution on 7 March 2007. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Cultivate is a company limited by guarantee not having a share capital and having obtained exemption under Section 30 of the Companies Act 1985 to dispense with the word limited as part of the company name.

Recruitment and Appointment of the Board of Trustees

As stated in the Business Plan, and following the Governance Code of Practice, Trustees serve terms of three years, up to a maximum of two terms. The Trustees may determine by ordinary resolution that a Trustee who has served six years in office may stand for re-election if it is determined that it is in the best interests of the Charity that that Trustee should do so. The procedure for recruiting new board members includes an assessment of the needs of the board in terms of skills and knowledge (when seeking new Trustees the board will seek to fill any gaps in its list of skills and knowledge), advertising and an open and accessible recruitment procedure.

Trustee Induction and Training

The Trustee is given a Role Description and asked to sign a Declaration of Intention on joining the Cultivate board. The new Trustee also receives an induction which includes the following: an information pack (including the Charity's Memorandum and Articles of Association and the current Business Plan), a meeting with the Chair and Chief Executive and introductions to all staff and the organisation's activity. Annual away days are also organised, giving the opportunity for Board and staff to work closely together and agree on common aims and objectives for the company.

Risk Management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to sustaining and generating core funding as well as earning the necessary levels of additional income through Cultivate's projects, and achieving the objectives set by the charity in its Business Plan, and are satisfied that systems are in place to mitigate exposure to those risks.

A comprehensive risk register is currently being developed by Cultivate's Chief Executive and General Manager. This register, which will categorise and assess the various types of risk, will be monitored and reviewed by the Operations and Finance Committee in their regular quarterly meetings.

Organisational Structure

As stated in the Business Plan, Cultivate is committed to maintaining a small, flexible infrastructure and to relying upon external partners to provide complementary skills and support. This core team has been augmented in 2007/08 through the creation of a new General Manager role and the increased number of days worked by the Project Manager. Both roles have now been made permanent. The structure is currently: CEO, Project Director, Project Manager, General Manager and Operations and Finance Co-ordinator.

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The Chief Executive Officer is responsible to the Board of Directors for financial monitoring and reporting, and for delivering the organisation's aims and objectives. In addition the CEO oversees the recruitment, induction and appraisal of staff.

The Project Director is responsible for developing and managing Cultivate's projects in collaboration with external delivery partners. The Project Director also deputises for the CEO as required. The Project Manager provides support to the Project Director in the delivery of project work.

The General Manager takes responsibility for the operational management of the company and is assisted by a part-time Operations and Finance Co-ordinator.

The Board's role is to provide non-executive leadership for the organisation, ensuring delivery of its objects, setting strategy direction and values. The Board is also responsible and accountable for ensuring and monitoring the performance of the organisation.

Related Parties

Culture East Midlands received funding from Arts Council England to set up and establish a Regional Organisational and Audience Development Agency. The resulting agency was Cultivate. Having set up Cultivate, for a short period after incorporation, Culture East Midlands also acted as Cultivate's banker, until such a time that the organisation was able to manage its own finances. Culture East Midlands continues to provide management accountancy services to Cultivate.

Objectives and Activities

The charity's vision, as stated in the Start-Up Year Business Plan for 06/07, is to work with cultural organisations of all scales to maximise potential, stimulate growth and enable them to become more successful, so that people in the East Midlands can enjoy a vibrant and thriving cultural sector.

Cultivate's objectives are:

To develop Organisational Skills

- Improve business practice
- Identify needs and source training and support for the business development of cultural organisations
- Work with organisations to identify and implement best business practice
- Support the development of leadership skills in the Region
- Develop and strengthen partnerships and networks
- Optimise value for money

To build Public Engagement including participation and audience development

- Stimulate and collaborate with organisations in the Region to sustain, develop and diversify participation and audiences
- Drive and contribute to national and regional programmes and activities
- Identify and respond to collective information needs and skills requirements

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Cultivate's activity falls into two main categories:

Core Activity

Core Activity is Cultivate's work as an active partner in developing and facilitating organisational development; maximising business skills in the cultural sector and acting as a catalyst and key deliverer for public engagement (including participation and audience development).

This includes working in collaboration with key agencies such as ACE East Midlands, MLA East Midlands, EMMedia, local authorities and others in facilitating and delivering surgeries, workshops and seminars.

Project Activity

Projects are the programme of business and organisational development activities and public engagement initiatives created and delivered within a specific timeframe.

Project funding is raised as necessary against a prepared individual budget for each project which includes provision for Cultivate to recover costs, including staff time spent on each project and, if appropriate, a service or management fee. The income earned from these projects provides a core income generation strand for the company.

In order to meet its objectives Cultivate works with Key Delivery Partners which include:

- Arts & Business
- Arts Council England, East Midlands
- Creative Launchpad
- Creative Leicestershire
- Cultural organisations and/or individuals who are exemplars of good practice
- Culture East Midlands
- Derbyshire Arts Development Group
- emda
- Local authorities including Nottinghamshire County Council, Leicester City Council
- Mainstream
- Museums, Libraries & Archives Council, East Midlands
- SSPs including Greater Nottinghamshire Partnership

Cultivate also appoints specialist assistance from relevant individuals and organisations working both inside and outside of the East Midlands region.

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Achievements and Performance

2007/08 has been a year of growth for Cultivate, both in terms of the number of projects it has led on and the breadth and scope of these activities. The important role that Cultivate plays in the sector has also been recognised by Arts Council East Midlands in their confirmation of RFO (Regular Funded Organisation) status for 3 years from 2008/09. Key relationships have been established with a number of cultural agencies, Local Authorities and SSPs including Nottinghamshire County Council and GNP. Cultivate has also worked with a range of cultural organisations and individuals through networks and direct contact to develop organisational skills such as governance and financial management as well as audience development. Cultivate has also been represented on the recently formed East Midlands Creative Cultural Economic Partnership as a key member of this advocacy and policy group for the creative and cultural industries.

Core Activity

- In 2007/08 Cultivate continued to run its popular Tea Time Talks and also organised more in depth seminar sessions with expert speakers which covered such areas as Finance for Non-Finance Managers, VAT and Data Analysis. The sessions and Teatime Talks received very positive feedback and were attended by a range of arts organisations/individual artists across the region
- Cultivate also worked in partnership with Arts Council East Midlands to organise the Family Friendly conference in October 2008. The conference, which boasted high-profile speakers and a wide range of break out sessions profiling exemplar work across the region, was attended by 80 delegates, many from outside of the region

Project Activity – Activities up to 31 March have included:

- Delivery of Year 1 of Progress project to small and emerging arts organisations in partnership with Creative Launch pad, Creative Leicestershire and Derbyshire Arts Development Group
- Completion of Rural Capacity Building Programme which involved 1:1 diagnostic meetings with rural arts and cultural organisations and follow-up consultancy
- Establishment, management and administration of arts networks including Capital Network Group and the East Midlands Touring Partnership
- Facilitation of establishment of East Midlands Writers Agency and, beginning in March 2008, the Young People's Creative Agency
- Managing and delivering Maximise, the Arts Council England National office cultural diversity audience development project, in the East Midlands
- In partnership with PMP, the delivery of the ArtsQuest pilot, a self-assessment and benchmarking tool for cultural venues, in the East Midlands

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Report of the Trustees for the year ended 31 March 2008

Financial Review

The Company had net outgoing resources during the period of £11,940. The company's Revenue Unrestricted Fund balance is £33,474 at 31 March 2008, with net assets totalling £190,985.

Cultivate's principal source of Unrestricted funds was a grant from Arts Council England. However, the majority of Cultivate's income was generated through additional project income. Primary funders of Cultivate's projects were Arts Council England and Culture East Midlands.

Reserves Policy

The trustees have established the level of reserves (that is those funds that are freely available) that the charity ought to have. Reserves are needed to bridge the gap between any period where projects have started but grants from other organisations to help pay for the work have not arrived, and to provide staff with any potential redundancy payments, should the charity cease to operate. The trustees therefore consider that the minimum level of reserves would be the equivalent of 3 months' fixed costs.

Investment Policy

Under the Memorandum and Articles of Association, the charity has the right to invest in any way the trustees wish.

It is anticipated that the trustees, having regard to the liquidity requirements of operating the charity and to the reserves policy, will begin to operate a policy of keeping funds in an interest bearing deposit account which provides interest at rates close to those of the London money market.

All funds are currently held in a Bank of Scotland current account.

Plans for the future

Cultivate's 2007-2009 Business Plan sets out the organisation's key aims and objectives and provides the framework for a diverse range of activity which will bring benefits throughout the Cultural sector.

The key development areas identified in this current Business Plan are:

Organisational Skills

- The building of partnerships and networks through further joint working/projects with agencies and organisations such as Arts Council England East Midlands, East Midlands Participatory Arts Forum, the Capital Networks Group and Performing Arts Leicester
- The development of training and support, identifying and addressing the primary needs of regional cultural organisations. A series of tea time talks and seminars, led by experts in the field, has been agreed with Arts Council East Midlands as part of Cultivate's detailed activity plan for 2008/09. Subject areas include Volunteers, Risk Management and Business Planning
- Researching and disseminating examples of regional, national and international best organisational practice
- Leadership skills – disseminate best practice and implement programme of development addressing two key areas of development including developing a Chair/CEO network and contributing to the debate on the future Creative Leadership Programme

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Public engagement

- Working in partnership with organisations such as Arts Council England, Arts Marketing Association, Network, Arts & Business, and the Capital Network Group to sustain and develop audiences through regional and national initiatives. Of particular note is the Arts Council's Visual Arts Family Friendly Initiative which will be supported and facilitated by Cultivate in 2008/09. Cultivate will also event manage a second conference, planned for early 2009, in partnership with Arts Council East Midlands on a key audience development issue
- Working with the Regional Observatory, and other Cultural organisations, to identify and respond to information and skill needs

Cultivate has also begun a number of new projects for 2008/09. These include a research based project on International Touring in the region, the facilitation of the Performing Arts Leicester group and continuing work on longer-term projects such as Progress and Maximise, the audience development initiative to increase BME audiences and BME work in the mainstream.

New Three Year Business Plan 2009/10 to 2012/13

As Cultivate is now in the final year of the 2007-2009 Business Plan, this year will also involve the development of a new three year plan which will be produced by the Chief Executive in consultation with Cultivate's Board and Staff. The new Business Plan will lay out Cultivate's aims and objectives, activities and financial projections for the period 2009/10 to 2012/13.

Responsibilities of the Trustees

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, and including income and expenditure for the financial year. In preparing those financial statements, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charitable Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Charitable Company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the board of Trustees

Members of the Board of Trustees, who are directors for the purpose of the company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 2.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2008 was 8. (2007:8)

Ling Phipp were appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

A resolution to re-appoint Ling Phipp as auditors of the Company will be proposed at the Annual General Meeting in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of part VII of the Companies Act 1985 relating to small entities.

Approved by the Management Committee on and signed on its behalf by:

Cultivate - EM
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Independent Auditor's Report to the Trustees of Cultivate-EM

We have audited the financial statements of Cultivate - EM for the year ended 31 March 2008 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Charitable Company's Trustees members, as a body in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Charitable Company's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of Cultivate-EM for the purposes of company law) for preparing the annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Trustees Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with requirements of APB Ethical Standards including APB Ethical Standard *Provisions Available to Small Entities*, in the circumstances set out in note fourteen to the Financial Statements.

Opinion

In our opinion:

- The financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Charitable Company's affairs as at 31 March 2008 and of its incoming resources and application of resources including its income and expenditure for the year then ended; and
- The financial statements have been properly prepared in accordance with the Companies Act 1985.
- In our opinion the information provided in the Trustees' Annual Report is consistent with the financial statements.

Ling Phipp
Chartered Accountants & Registered Auditors
Cliffe Hill House
22-26 Nottingham Road
Stapleford
Nottingham NG9 8AA

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Statement of Financial Activities
(including Income and Expenditure Account)
for the year ended 31 March 2008

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 12 June 2006 – 31 March 2007 £
Incoming Resources					
Incoming Resources from generated funds					
Investment Income	3	4,770	-	4,770	1,425
Incoming resources from charitable activities:					
Grants and Contracts	2	45,000	216,633	261,633	378,645
Events		7,796	-	7,796	-
Other incoming resources		150	-	150	-
Total incoming resources		<u>57,716</u>	<u>216,633</u>	<u>274,349</u>	<u>380,070</u>
Resources Expended					
Charitable activities	4	94,988	175,219	270,207	153,350
Governance costs	4	16,082	-	16,082	23,795
Total resources expended		<u>111,070</u>	<u>175,219</u>	<u>286,289</u>	<u>177,145</u>
Net (outgoing)/ incoming resources before transfers		(53,354)	41,414	(11,940)	202,925
Gross transfers between funds		-	-	-	-
Total funds brought forward		86,828	116,097	202,925	-
Total funds carried forward		<u>£33,474</u>	<u>£157,511</u>	<u>£190,985</u>	<u>202,925</u>

The Statement of Financial Activities includes all gains and losses in the year. All incoming resources, and resources expended derive from continuing activities.

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Balance Sheet as at 31 March 2008

		<u>2008</u>		<u>2007</u>	
	Note	£	£	£	£
Fixed Assets					
Tangible Fixed Assets	10		6,108		5,450
Current Assets					
Debtors	11	149,316		72,067	
Cash at bank and in hand		51,749		151,008	
			201,065		223,075
Creditors: amounts falling due within one year	12		16,188		25,600
Net Current Assets			184,877		197,475
Net Assets	15		190,985		£202,925
Unrestricted funds:					
General fund	16		33,474		86,828
Restricted Funds	16		157,511		116,097
Total Funds	16		190,985		£202,925

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Trustees on

2008 and signed on its behalf by:

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Notes forming part of the Financial Statements for the year ended 31 March 2008

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 1985 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005 and with applicable accounting standards in the United Kingdom.

(b) Fund accounting

- Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(c) Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Grants, project and core activity income are included when received unless either of the following apply:

- The grant or contract documentation specifies entitlement being conditional on delivery of a specific performance by the charity. In these cases, the income is recognised when the charity earns right to consideration by its performance.
- The grant or contract documentation specifies a time period to which the grant relates, in which case the income is recognised in this time period.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.

(d) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of fundraising.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. time spent as set out in Note 4.

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Notes forming part of the Financial Statements for the year ended 31 March 2008 continued

- (e) The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. Contributions payable for the year are shown with the statement of financial activities.
- (f) The Charity is limited by guarantee and in the event of it being wound up, every member is liable to contribute a sum not exceeding £1. There are no shares of any class either authorised or allotted.
- (g) All fixed assets are capitalised at cost. Depreciation is provided on tangible fixed assets at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, which ever is shorter.

Office equipment – 33% on cost and 50% on cost.

2. Incoming Resources from Activities to further the charity’s objectives

	2008	12 June 2006 – 31 March 2007
	£	£
Unrestricted		
Culture East Midlands	-	174,750
Arts Council England	45,000	65,000
	45,000	239,750
Restricted		
Arts Council England	137,278	97,395
Culture East Midlands	14,000	37,000
MLA	750	2,250
Reactor	1,250	1,250
Nottingham Asian Arts Council	-	1,000
PMP Consultancy Limited	29,395	-
EMPAF Partnership Limited	7,000	-
East Midlands Development Agency	24,960	-
Threshold Studios	2,000	-
	216,633	138,895
Total Grants and Contracts	£ 261,633	378,645

3. Investment Income

	£	£
Bank Interest	4,770	1,425
	£ 4,770	1,425

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Notes forming part of the Financial Statements for the year ended 31 March 2008 continued

4. Total Resources Expended

	Basis of Allocation	Core Activity	Governance	Organisational Development Projects	Audience Development Projects	Total 2008	Total 12 June 2006 – 31 March 2007
		£	£	£	£	£	£
Costs directly allocated to activities							
Project Costs:							
Audience Development Projects	Direct				8,778	8,778	11,064
Organisational Development Projects	Direct			79,924		79,924	1,750
Core Projects	Direct	9,443				9,443	1,434
Staff							
Staff Costs	Time	40,031	6,660	78,827	7,690	133,208	90,243
Recruitment and Training	Direct	3,826				3,826	11,495
Travel and Subsistence	Direct	3,274	572			3,846	3,968
Support Costs allocated to activities							
Rent and room hire	Direct	10,841	570			11,411	11,364
Telephone	Direct	4,104	216			4,320	2,897
IT	Direct	4,547	239			4,786	3,640
Stationery, Postage and Printing	Direct	1,900	100			2,000	3,504
Hospitality and Staff Welfare	Direct	833				833	1,250
PR and Marketing	Direct	2,131				2,131	10,219
Website Costs	Direct	7,420				7,420	2,280
Subscriptions	Direct	1,169	15			1,184	795
Conferences	Direct	1,377				1,377	484
Insurance	Direct	928	49			977	265
Management Fees	Direct		4,000			4,000	16,000
Bank Charges	Direct		122			122	16
Audit and Accounting	Direct		3,000			3,000	3,231
Payroll	Direct		372			372	229
Depreciation	Direct	3,164	167			3,331	1,017
Total Resources Expended		94,988	16,082	158,751	16,468	286,289	177,145

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Notes to the Financial Statements for the year ended 31 March 2008 continued

5. Net Incoming Resources for the year

This is stated after charging

	2008	12 June 2006 – 31 March 2007
	£	£
Audit services	1,500	1,175
Accountancy services	1,500	2,056
	1,500	2,056

6. Employee Information

	2008	2007
Number of Employees: (Average)	3.6	2.5
Management and administration		
	£	£
Staff Costs		
Salaries	113,696	61,860
Pension costs	7,521	5,849
Social Security costs	11,991	6,546
Agency Staffing	-	4,644
Consultancy fees	-	11,344
	£ 133,208	90,243

The number of employees to whom retirement benefits were accruing was as follows:

Defined Contribution Schemes	3	3
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No employee earned more than £60,000 per annum.

In 2007, agency staffing was used for temporary administrative staffing until full time appointments were made.

7. Trustee Remuneration

No emoluments were received by the Board of Trustees in their capacity as Trustees.

Expenses reimbursed to 4 trustees (2007: 5) during the year for travel amounted to £572. (2007: £515).

8. Related Party Transactions

In 2007, Culture East Midlands Ltd (a company with two directors in common) received grants from Arts Council England to set up Cultivate-EM.

The income received by Culture East Midlands and the expenses it paid out in order to set up the charity are not netted off in the accounts of Cultivate-EM.

Amounts totalling £1,334 were paid to Lakeside Arts Centre in the year for venue hire. (2007: £nil). Culture EM has a board member who is also a board member for Lakeside Arts Centre.

Culture East Midlands (a company with two directors in common) have made the following management charges to Cultivate EM:

For financial services : £4,000 (2007: £4,000)
 For setting up Cultivate EM: £nil (2007: £12,000)

Culture East Midlands also operated bank transactions on behalf of Cultivate – EM before the new charity had opened a bank account.

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Notes to the financial statements for the year ended 31 March 2008 continued

Transactions with Culture East Midlands are as follows:-

	2008	2007
	£	£
Income	-	174,750
Expenditure on set up and initial running of bank payments	-	69,547
Management fees	4,000	16,000
Grants given to Cultivate EM		
- Maximise	-	35,000
- Capacity Building for Rural Enterprises	14,000	2,000
Other Expenses	57	57

The amount owing from Culture East Midlands to Cultivate-EM at 31 March 2008 is £Nil (2007: £42,475).

9. Taxation

The Charitable Company is exempt from corporation tax on its charitable activities.

10. Tangible Fixed Assets

	Office Equipment
	£
Cost:	
As at 1 April 2007	6,679
Additions	3,989
As at 31 March 2008	<u>10,668</u>
Depreciation:	
As at 1 April 2007	1,229
Charge for year	3,331
As at 31 March 2008	<u>4,560</u>
Net book value at 31 March 2008	<u>6,108</u>
Net book value at 31 March 2007	<u>5,450</u>

11. Debtors

Amounts falling due within one year

	2008	2007
	£	£
Income Receivable	147,189	70,636
Prepayments and Accrued Income	400	478
Other debtors	1,727	953
	<u>149,316</u>	<u>72,067</u>

Income receivable has increased because many of Cultivate's projects were completed by the year end but final payments were received after the year end.

12. Creditors

	2008	2007
	£	£
Trade Creditors	12,255	15,043
Other taxes and social security	-	2,222
Accounts and deferred income	3,933	8,335
	<u>16,188</u>	<u>25,600</u>

13. Pension Commitments

The Charity contributes to a defined contribution pension scheme. The assets are held and administered by Friends Provident. The pension cost charge represents contributions payable by the Charity to the pension scheme and amounts to £7,521 (2007: £5,849).

Cultivate EM
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Notes to the financial statements for the year ended 31 March 2008 continued

14. APB Ethical Standard – Provisions Available for Small entities.

In common with many other entities of our size and nature we use our auditors to assist with the preparation of the financial statements.

15. Analysis of Net Assets between Funds

	General Funds	Restricted Funds	Total Funds
	£	£	£
Fixed Assets	6,108	-	6,108
Current Assets	43,554	157,511	201,065
Current Liabilities	(16,188)	-	(16,188)
Net Assets at 31.3.07	33,474	157,511	190,985

16. Movement in Funds

	At 1 April 2007	Incoming Resources	Outgoing Resources	At 31 March 2008
	£	£	£	£
Restricted Funds				
Maximise	20,936	-	10,866	10,070
Out There and Beyond – Touring Network Progress	16,520	-	7,040	9,480
BME Governance	50,000	41,662	35,232	56,430
International Touring	-	9,000	3,259	5,741
Children and Young People Agency	-	20,250	73	20,177
	-	40,000	107	39,893
Other restricted funds -				
Organisational Development Projects	28,641	98,875	113,114	14,402
Audience Development Projects	-	6,846	5,528	1,318
Total Restricted Funds	116,097	216,633	175,219	157,511
Unrestricted Funds – General Funds	86,828	57,716	111,070	33,474
Total Funds	202,925	274,349	286,289	190,985

Within other restricted funds are the following balances at 31 March 2008:

Organisational Development Projects -	
Writers Agency	1,117
Out There and Beyond – Web Resource	2,784
Capacity Building for Rural Enterprises	2,802
Young Artists Biennale	4,050
Other	3,649
	14,402
Audience Development Projects -	
Data Scoping	1,318

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Notes to the financial statements for the year ended 31 March 2008 continued

Maximise

The fund is to support Maximise - the BME audience development initiative.

Writers Agency

The fund is to facilitate the establishment of a new agency to support existing and emerging writing talent in the East Midlands.

Out There and Beyond

The fund is for the facilitation of steering group meetings and the organisation of events for the wider network, the East Midlands Touring Partnership.

Progress

This fund is for a regional advice network for small and emerging not-for-profit cultural organisations in the East Midlands. It was previously known as Hub & Spokes.

Out There and Beyond Web Resource

This fund is for research into a web based resource to promote East Midlands Arts Organisations and venues beyond East Midlands' borders.

Capacity Building for Rural Enterprises

This fund is for a programme of capacity building for rural cultural social enterprises.

Arts Quest

This fund is for the delivery of the ArtsQuest pilot programme in the East Midlands and the undertaking of several pilot assessments.

Decibel

This fund is to provide a range of services to support East Midlands' contribution to the Decibel Showcase 2007.

EMPAF

This fund is to provide support to the East Midlands Participatory Arts Forum.

Data Scoping

This fund is for research into data analysis services for ticketed and non-ticketed organisations.

BME Governance

This fund is for an action research programme to develop the skills of non BME board members in their understanding of cultural diversity and to encourage membership of arts boards from BME communities.

International Touring

This fund is for the management of a consultancy team carrying out research into national and international touring opportunities.

Children's and Young People's Agency

This fund is to facilitate the establishment of a new agency; the Young People's Creative Agency for the East Midlands.

Young Artists Biennale

This fund is to provide support to individuals attending the Young Artists Biennale as part of the Arts Council's 2008 Capital Network trip.

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with its restrictions.